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OF COUNSEL
WILLIAM G. CONLY

March 27, 2006

Honorable James H. Welsh
Commissioner of Conservation
State of Louisiana
Post Office Box 44275
Baton Rouge, Louisiana 70804-4275

Re: APPLICATION FOR PUBLIC HEARING.

Camerina 1 Sand, Reservoirs G and H, KAPLAN
FIELD, Vermilion Parish, Louisiana.

Dear Sir:

SANDALWOOD EXPLORATION, L.P. ("Applicant"), hereby respectfully applies for a public hearing to consider evidence relative to the issuance of Orders pertaining to the following matters relating to the Camerina 1 Sand, Reservoirs G and H, in the Kaplan Field, Vermilion Parish, Louisiana:

1. To establish rules and regulations governing the exploration for and production of gas and condensate from the Camerina 1 Sand, Reservoirs G and H.
2. To create a single drilling and production unit for each of these reservoirs, such units being shown on the attached plat and being designated CAM 1 RG SUA and CAM 1 RH SUA.
3. To force pool and integrate all separately owned tracts, mineral leases and other property interests within each of the proposed units in accordance with Section 10, Title 30, of the Louisiana Revised Statutes of 1950, with each separate tract sharing in unit production on a surface acreage basis of participation.
4. To designate an operator of, and unit wells for, the proposed units as may be appropriate.
5. To provide that future wells drilled within or outside of the units proposed herein be located in accordance with the provisions of Statewide Order No. 29-E.
6. To provide that the Commissioner of Conservation may reclassify either of these reservoirs by Supplemental Order and without the necessity of a public hearing should such a reclassification be warranted based on evidence furnished to the Commissioner.

7. To define the Camerina 1 Sand, Reservoirs G and H, by reference to the redefinition of the Camerina 1 Sand, Reservoir C, as set forth in Office of Conservation Order No. 557-E-20, effective September 20, 2005.

8. To consider such other matters as may be pertinent to these reservoirs.

Pertinent data concerning this application is available for inspection at the offices of Leon E. Comeaux & Associates, 305 La Rue France, Lafayette, Louisiana 70505. Any person wishing to inspect such data should call Mr. David Comeaux at (337) 233-9839 during normal business hours in order to arrange a date and time for such inspection. A copy of any such pertinent data which is not otherwise available from the records of the Louisiana Office of Conservation can be obtained from Applicant at the expense of the requesting party.

By letter dated February 17, 2006, Applicant gave notice, in accordance with the Revised Rules of Procedure, of its intention to apply for a public hearing concerning those matters and a pre-application conference with respect to Applicant's proposals was thereafter held beginning at 10:00 o'clock a.m. on March 15, 2006, in Lafayette, Louisiana. Attached is a list of the names and addresses of these persons attending the conference.

On behalf of Applicant, the undersigned explained the purpose of the conference after which Mr. David Comeaux presented the bases for Applicant's proposals by sufficient data and detail for those present at the conference to have a reasonable opportunity to discuss the proposals and attempt to resolve any differences in good faith. Following Applicant's presentation, there was a general question and answer period concerning the proposals of Applicant, after which counterplans were presented by Mr. David Sturlese, on behalf of the Hebert Family, and by Mr. Jim Hardwick, on behalf of the Maraist Family. Both counterplans proposed minor changes to the proposed unit CAM 1 RG SUA. In addition, Mr. Chip LeBlanc, representing Ken Savage, asked that his rights be reserved to file a counterplan. After a question and answer period with respect to each of the counterplans presented, the conference was adjourned.

Following the conference, Applicant has continued to work with representatives of the Maraist Family and the Hebert Family to attempt to resolve differences. In that connection, a compromise has been reached between Applicant, the Maraist Family and the Hebert Family and the results of that compromise are reflected in the slightly revised unit for the Camerina 1 Sand, Reservoir G (CAM 1 RG SUA) attached hereto.

Attached hereto is a unit plat outlining Applicant's proposed units, which is identical to the plat attached to the pre-application notice except for the change in proposed CAM 1 RA SUA made as a result of the compromise noted above. Also attached is a list of the names and addresses of all Interested Owners, Represented Parties and Interested Parties to whom a copy of this application is being sent. Pursuant to the Revised Rules of Procedure, such list is being forwarded

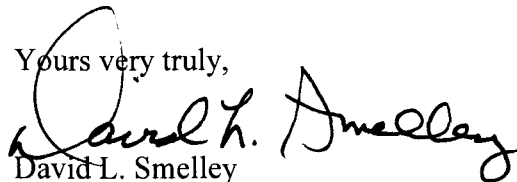
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only to the Commissioner of Conservation and to the District Manager of the Lafayette District of the Office of Conservation. A copy of the list will be furnished by the undersigned to any party so requesting. A reasonable effort was made to obtain a complete list of Interested Owners, Represented Parties and Interested Parties.

Applicant will provide for posting of a copy of the Legal Notice of this hearing, and the enclosed plats, at a prominent place in the area affected and will cause publication of the Legal Notice in a newspaper published in the general area of Kaplan Field, all in accordance with the Revised Rules of Procedure. Furthermore, a copy of the Legal Notice will be mailed to all Interested Owners, Represented Parties and Interested Parties promptly upon receipt of the Legal Notice from the Commissioner.

Finally, we enclose our check payable to the Commissioner of Conservation for the application fee.

Yours very truly,


David L. Smelley

-- Attorney for Sandalwood Exploration, L.P.

DLS:dp
Enclosures

cc: Mr. Richard Hudson (w/encls.)
Mr. David Comeaux (w/encls.)
Mr. Phil Fleming (w/encls.)
Interested Owners, Represented Parties
and Interested Parties (w/plat only)

